STUDENT AND AFFILIATED ORGANIZATIONS

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Separate Legal Entity

- **Is the student/affiliated organization a separate legal entity in its own right?**

- **No – formless aggregation of individuals, or integral part of university**

- **Yes – incorporated under state law, or has "corporate characteristics"**

Corporate Characteristics

- Organizing document (e.g., a constitution or bylaws)

- Centralized management, such as directors and officers

- Objective to carry on particular activity

- Continuity of life

- Control over own income/expenses

- Members believe liability is limited to assets of organization

If Organization is Not Separate Legal Entity

- If formless aggregation of individuals, activities and operations ignored

- If integral part of university, university must be concerned about nature of activities

- Charitable contribution deductions, political activities, contractual issues, etc.

Integral Part Test

- **Activities would not be UBI if conducted by university**

- **Activities are "necessary and indispensable" to the operations of university**

- **Organization is controlled by university**

If Organization is Separate Legal Entity

- **Obtain its own tax-exempt status under section 501(c)(3) or other Code section**

- **Be part of group ruling issued to university**

- **Otherwise, organization is taxable as a corporation**

Title search: Student and Affiliated Organizations

Also available as part of the eCourse
[Tax Issues for Student Organizations and Associated Entities](#)

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